## **RUSI**

## 10 April 2015

The Rt Hon Michael Fallon, Secretary of State for Defence, outlined the Conservative Party's defence policy in advance of the General Election and subsequent Strategic Defence Review.

The Speech

It's a pleasure to be here to set out the Conservative Party's Defence Policy.

Defence of the realm is the first duty of government. In 26 days' time people will be casting their votes at a time when we are seeing multiple, concurrent challenges to the international order that many believe is unprecedented.

In Eastern Europe, Russia is subverting democracy - seeking to change international borders by force and destabilising a sovereign state.

In the Middle East, ISIL is spreading a new form of fascism in its warped drive to create a caliphate and bringing its terror to the shores of the Mediterranean in Libya. We are seeing conflict in Yemen which threatens our interests in the Gulf.

And in Africa, Boko Haram, is causing chaos in northern Nigeria and along its border

Britain is better placed to respond to the threats we face because over the past five years Conservative Defence Secretaries have acted to ensure that our Armed Forces have the support they need to keep Britain safe.

That meant taking difficult decisions to deal with the £38 billion black hole in the defence budget that we inherited from Labour:

We had to scrap much-loved capabilities such as the Harriers and HMS Ark Royal.

We cancelled out of control procurement programmes like Nimrod.

We've sorted out the rebasing of our troops bringing back our troops from western Germany.

And, we've made some tough choices about the size of the Armed Forces.

Although we did so in a way that has protected our front line clout.

And it meant undertaking a major programme to reform the Ministry of Defence to ensure that unlike the chaos we inherited that equipment is delivered on time and on budget.

Our reforms are cutting the costs and delay of defence projects – the cost of the 11 largest projects fell by £400m in 2014.

And we are becoming more efficient so we can better support the frontline and our more agile Future Force. Our reforms are on track to deliver the £4.3Bn of efficiencies agreed in the 2010 Spending Review as well as a further £1.1 billion agreed in the 2013 Spending Review.

Over £5 billion of efficiencies that were not identified, let alone achieved by Labour.

As a result of these reforms, we have successfully balanced the budget and the MOD is now trusted again with the Treasury having granted us the largest delegated budget of any Whitehall department. It is only with a strong economy that you can have a strong defence: we now have a properly funded £34 billion a year defence budget. The biggest in the EU and the second biggest in NATO.

We need that budget to keep Britain safe and to play our part in enforcing the rules based system. So this is Conservative defence policy.

First, we will keep Britain safe.

Our brave Armed Forces are working 24/7 across the world to protect us. Last year 90,000 troops deployed to over 50 countries.

In Iraq, we making the second largest contribution to airstrikes against ISIL after the US and providing critical surveillance, command-and-control and refuelling. Britain is also training and equipping Iraqi forces and we have 145 troops inside Iraq training on heavy machine guns, infantry and counter-IED. In the Ukraine, British personnel are delivering training in medical, logistics, infantry and intelligence capacity building. We are also increasing our provision of non-lethal equipment.

At the same time, we are reassuring our NATO allies through Baltic Air Policing, and significantly increasing our exercise programme in eastern Europe, to remind President Putin of our commitment to Article 5.

As well as all this, we were still able to dispatch a ship, helicopters and 700 personnel, with just 10 days notice, to Sierra Leone to combat Ebola. Helping cut new cases of the disease from 700 a week to fewer than 40.

But our Armed Forces also keep us safe at home whether the Quick Reaction Alert crews ready to defend our skies, the Royal Navy protecting our home waters, or the military guarding the Olympics and backing up the police on counter terrorism.

Second, Conservatives will ensure Britain remains at the forefront of efforts to overcome threats to the international rules-based order on which our security and prosperity depend.

Some thought that Labour's vote against limited action against Assad's regime in Syria in 2013 marked the end of Britain playing that role. I'm relieved that has not proved to be the case.

But continuing to play our part means we must be readier than ever to respond to multiple crises simultaneously. So we will deliver our reforms to create a more agile and deployable Future Force drawing on regulars and reserves to deter and, if necessary, to engage aggressors.

We are investing nearly £2 billion in our Reserve Forces and recruitment is on track. The Army Reserve trained strength has gone up over the past 12 months to 20,480 - above our target for year end. Overall we are on track to deliver a trained strength for all three Armed Forces of 35,000 by 2020.

Our plans mean we will be one of very few countries able to deploy a Division-sized force when required. And the Prime Minister has made clear that there will be no further cuts to our regular Armed Forces.

In contrast, the Labour Party have said they would not take Army 2020 forward in its current form. Scrapping the plan that was designed by the current Chief of the General Staff would throw our forces into chaos at a dangerous time.

And our commitment to defending the world order is unstinting. That is why we're pressing hard to strengthen NATO - the bedrock of our defence.

At last September's NATO summit in Newport, we and the US persuaded all Alliance members to increase their spending on defence and to respond more rapidly to unfolding crises.

Since then we've become one of the first Nations to support NATO's new Very High Readiness Joint Task Force – committing to lead the force in 2017. And we are the only country so far to commit to all eight new headquarters and Force Integration Units in eastern Europe.

Third, a Conservative government will make sure our Armed Forces have the capabilities that they need. Over the next ten years we are committed to spending £163 billion on equipment and equipment support.

That includes new Joint Strike Fighters; more surveillance aircraft; seven hunter killer submarines; two aircraft carriers; and nearly 600 of the most advanced armoured vehicles.

The future of our nuclear deterrent has become one of the big questions at this election.

For 45 years, Britain has kept a ballistic missile submarine at sea providing the ultimate guarantee of security against nuclear attack or nuclear blackmail, 24/7, 365 days per year.

And today, in a world where there are approximately 17,000 nuclear weapons, we cannot gamble with the security that our deterrent provides.

We know that there are substantial nuclear arsenals and the number of nuclear states have increased. Russia is modernising its nuclear forces and actively commissioning a new class of 8 ballistic missile submarines. North Korea has conducted three nuclear tests and ballistic missile tests in defiance of the international community.

Other often unstable states want nuclear weapon and seek the technology to develop them.

We cannot know what nuclear threats may emerge in the 2030s, 2040s and 2050s, the only responsible choice is to recommit to our continuous at sea deterrent now so that we can cope with any direct nuclear threat to the UK, or our NATO allies.

That is why I have announced that the Conservative manifesto will guarantee that we will build a new fleet of four Successor Ballistic Missile Submarines, replacing the four Vanguard boats. We will retain the **Trident** continuous at sea nuclear deterrent to provide the ultimate guarantee of our security.

There is simply no alternative to continuous patrols that provides the same level of protection and deterrence. Two years ago the official government review concluded that there is no alternative as capable or cost-effective as a submarine-based deterrent.

While some parties have proposed three boats, all earlier studies have shown that four submarines are required to maintain this continuous posture.

The cost of the Successor submarines is estimated to be £25 billion at outturn prices. These costs will be spread over 25 years and if the cost was spread evenly, they would represent an annual insurance premium of 0.13% of government spending.

Yesterday, as you may have seen...I raised the dangers that a Labour Party propped up by the Scottish National Party would pose to renewal of our deterrent. The only way Ed Miliband can get into Downing Street is with the support of Nicola Sturgeon – and earlier this week she said we 'better believe that Trident is a red line'.

Among the bluster in response, the central issue facing voters in four weeks' time remains can you trust Ed Miliband not to put the nuclear deterrent on the bargaining table in some shabby back room deal with the SNP?

The next Government must plan ahead, renew that deterrent, so that we can always keep one of our boats continuously at sea.

The Conservatives are the only party to make that pledge unequivocally.

Some of the other parties' positions are frankly absurd. The Liberal Democrats, for example, want to spend billions to "replace some of the submarines" and make our deterrent part time. They have now committed to going to sea with unarmed missiles. Pointless patrols proposed, a pointless policy proposed by an increasingly a pointless party.

Put simply, it is only the Conservatives that will not gamble with the security of the British people.

Finally a Conservative government will always back the Armed Forces community – our troops, our veterans and their families.

We enshrined the principles of the Military Covenant in law so that never again can our servicemen and women find the Covenant is not honoured.

Over the past five year we have supported our personnel and their families with£1 billion invested in better accommodation and our £200m Forces Help to Buy scheme has helped thousands of personnel move in to their own home.

We have used over £100m of LIBOR fines to improve accommodation, childcare, and support military charities.

Injured soldiers now have access better treatment and to the latest prosthetics and £300 million will be invested in a new world-class rehabilitation facility at Stanford Hall.

Supporting our troops also means protecting them from legal claims that seek to override established international humanitarian law with human rights laws.

The cumulative effect of Strasbourg's decisions on the freedom to conduct military operations raises serious challenges which were highlighted again by former Chiefs' only last week.

And over the last few years we have seen the lodging of legal claims on an industrial scale. Many are for events that happened long ago. I have instructed the MOD to robustly contest such claims but they are costing taxpayers millions of pounds and are undermining our Armed Forces.

The next Conservative government will ensure that our Armed Forces overseas are not subject to persistent human rights claims that undermine their ability to do their job.

This isn't about putting our Armed Forces above the law. The Law of Armed Conflict based on the Geneva Conventions will still apply. Our troops who are injured will still get the compensation they deserve.

But it will stop spurious claims and the worst form of ambulance chasing.

Top of the in-tray after the election will be the SDSR and spending review.

I have been overseeing some preliminary work to assess what has changed in the international security environment, and how the risks to our have evolved.

We have also been examining lessons from past operations and assessing what operations we may have to conduct during the next decade, where, when, with and against whom.

That work will inform the National Security Strategy and the next SDSR and decisions around capability gaps.

As Defence Secretary I have been instilling the need for the MOD as an organisation that spend £34 billion a year to be permanently fit, not just getting fit for spending reviews.

In this Parliament we have shown the major savings that can be made through new approaches:

By selling the Defence Support Group which maintains the Army's vehicle, we got £140 million for taxpayers and will generate £500 million of savings over a ten year contract.

We brought in a strategic partner to get to grips with the sprawling defence property estate which will save £3 billion over ten years.

We need to continue this in the next five.

Where my party differs from Labour is that, while we will find more efficiencies we are committed to spending £34 billion this year on defence – their zero-based review means that they cannot commit to any of our spending programmes.

To conclude I want to set out our commitment to a strong defence.

We have met and will this year again meet the 2 per cent target. Decisions on spending beyond 15/16 are for the autumn spending review.

But we make three stronger, more specific commitments, a new triple lock that guarantees the shape and power of our armed forces beyond the spending review right through to the end of the next Parliament.

First, we commit to increasing the defence equipment budget by at least 1 per cent more than inflation throughout the Parliament: this will enable us to invest in our two new aircraft carriers, the biggest ships the Royal Navy has ever seen; seven hunter killer nuclear submarines; 600 new armoured vehicles for the Army; and the new Joint Strike Fighters.

Second, we commit to making no further reductions in the size of our Regular armed forces.

Third, we commit to modernising our independent nuclear deterrent, replacing the four existing Vanguard submarines with new submarines that will serve through to 2060.

Three long term commitments unmatched by any other party.

I am confident that the public will look at the last five years and judge that it is only the Conservative Party and our long term economic plan that will make sure our Armed Forces have the resources they need to defend our interests and values across the world for the next five and beyond. Thank you.